

ITEM 25 WORKSHEET SUMMARY: FAX BACK PAGE 1**Item 25 Worksheet Summary**

Please Add Subtotals of Sections I through VI

**Funding Year 5
(2002-2003)****Section I: Connectivity****I-A. Commitment Amount Requested**

• Telecom	1	\$90,636.67
• Internet Access	2	\$182,745.60
• Internal Connections	3	Item Removed See Notes

Total of Funding Requests (I-A)	4	\$273,382.27
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I-B. Form 471 Applicant's Share

• Telecom	5	\$32,629.01
• Internet Access	6	\$65,788.41
• Internal Connections	7	Item Removed See Notes

Total of Applicant Share (I-B)	8	\$98,417.42
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I-C. Amounts not covered by USF Program

• Telecom	9	\$1,500
• Internet Access	10	\$3,600
• Internal Connections	11	\$71,000

Total of Amounts Not Covered (I-C)	12	\$76,100
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Total Connectivity (I-A + I-B + I-C) \$		\$447,899.69
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Section II: Hardware**II-A. Number of Computers Connected**

13a. #2823 Estimate (Fiscal Year 2001-02)	13 b.#100 More-Estimate (Fiscal Year 2002-03)
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II-B. Applicant Expenditure

14a. \$125,800	14 b. \$136,000
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II-C. Contribution / In-Kind Donations

15a. \$0	15 b. \$0
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Total Hardware (II-B + II-C)	16a. \$125,800	16 b. \$136,000
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Section III: Professional Development**III-A. Staff Training Hours (Total 100%):**

0-5 Hrs. ___% 5-15 Hrs. ___% 15-25 Hrs. ___% 25-50 Hrs. ___% 50+ Hrs. 100%

III-B. Applicant Expenditure

18a. \$91,625	18b. \$99,225
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III-C. Contribution / In-Kind Donations

19a. \$0	19b. \$
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Total Professional Development (III-B + III-C)	20a. \$91,625	20b. \$99,225
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Section IV: Software**IV-A. Applicant Expenditure**

21a. \$140,246.60	21b. \$200,859.00
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IV-B. Contribution / In-Kind Donations

22a. \$0	22b. \$0
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Total Software (IV-A + IV-B)	23a. \$140,246.60	23b. \$200,859.00
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Section V: Retrofitting**V-A. Applicant Expenditure**

24a. \$65,123.75	24b. \$72,215.00
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V-B. Contribution / In-Kind Donations

25a. \$0	25b. \$0
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Total Retrofitting (V-A + V-B)	26a. \$65,123.75	26b. \$72,215.00
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Section VI: Maintenance**VI-A. Applicant Expenditure**

27a. \$60,000	27b. \$60,000
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VI-B. Contribution / In-Kind Donations

28a. \$0	28b. \$0
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Total Maintenance (VI-A + VI-B)	29a. \$60,000	29b. \$60,000
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Total of E-Rate Initiative (Total of Section I to VI)	30a. \$	30b. \$
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Technology Implementation Level (Enter Number of schools/libraries at each level from worksheet)

Level 1 current:17	Level 2 current:17	Level 3 current:17	Level 4 current:17
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Level 1 by 6/30/03:	Level 2 by 6/30/03:2923	Level 3 by 6/30/03:	Level 4 by 6/30/03:
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RESOURCE PLAN: FAX BACK PAGE 2

Resource Plans: On this worksheet you are asked to estimate any relevant investments in the resources you need to make effective use of requested E-rate services that happened prior to the years covered on the *Item 25 Worksheet Summary: Fax Back Page 1*. Please use this space, or attach an additional page, to provide both narrative information about both your plans and strategies for securing the necessary resources to make effective use of the requested services and previous years' investments in technology. You may use the space below to cross reference sections of your approved technology plan, your budget, or other relevant documentation. If you do not yet have an approved technology plan, please describe your strategy for obtaining approval from an SLD certified Technology Plan Approver. If you have made a significant investment in technology prior to the last fiscal year, please summarize these resources that are already in place. If you have applied for matching funds or grants from other sources that have not been approved yet, please note it. Include all information about resources that you have available to make use of the E-rate program. Important: Please indicate any and all resources in place from prior Funding Year(s) using E-Rate dollars in any of the categories.

In Anderson County technology is purchased from all educational budgets, Title I, Special Education, and etc. All departments in the school district work to help us achieve our technology goals.

Clinton Middle School just received a grant to help re-wire their building.

We have applied for TLG funds every year the program was in operation. Most of our newer computers have been purchased from the TLG program.

Our schools applied for Goals 2000 grants each and every year the funds were available.

A great deal of our technology in Anderson County has been earned through grant writing.

We are working very hard to achieve our technology goals. The re-wiring of our schools has become our number 1 concern. Most of our schools were wired in 1993-94 in a token-ring environment. As you can see from the Item 25 worksheet a great deal of our funds are being spent on this goal.

Old hardware is also a concern. We write as many grants as possible to help off-set the costs of new multi-media computers for our classrooms and labs.

Curriculum software has also been a strong goal for our district. As you can see from the Item 25 Worksheet, we have purchased the Riverdeep software program for all our schools Pre K-12. We

are currently in the process of training our teachers on the use of this software. We will be having an academy this summer to help enhance our training.

Student management software has been mandated in the state of Tennessee. During the 2002-03 school year we will be implementing a new software package. This software will include a grade book and ways of communicating with our parents over the Internet.

Please let me know if you need additional information.

E-rate Implementation: On this worksheet please describe your overall strategy for implementing your E-rate requests this year, noting especially any differences if not all of your facilities are at the same technology implementation level. Please give us an overall picture of what you are trying to accomplish so that we can better understand how the requested services will work in conjunction with the resources that you have identified throughout this document.

We have also opened a new on-line curriculum site for students in PreK-12 grades to use over the Internet. Again, the Internet Access provided by our e-rate funds is most important in implementing this program. Techschool.acs.ac (check it out)

All of our school locations have Internet Access; however, we are looking at ways to provide faster Internet speed for better use of the on-line curriculum we are providing. That is what we are waiting on from the State Department of Education.

Our number one goal is to improve the day to day education of our students. Technology is one tool we use in our district to achieve this goal. The e-rated items in our district have made a big difference and we believe that without these items our students would not have made the educational gains they have achieved to this point.

School safety is a major concern in our district. The use of the wireless Nextel phones have made a huge difference in our response time. The Nextel phones have a “free” wireless beeper, which has made a big difference in our ability to communicate with one another, police, fire departments, and etc. We don’t know how we worked without them a few short months ago.

E-RATE IMPLEMENTATION DESCRIPTION: FAX BACK PAGE 4

Selective Review Information Request Completion Certification

If the applicant's authorized representative completed the information on this fax, please attach a copy of the letter of agency or other agreement between the applicant and consultant authorizing them to act on the school or library's behalf.

I certify that I prepared the responses to this fax.

Authorized signer: Johanna Whitley

Printed name of authorized signer: Johanna Whitley, Director of Technology

Date: April 2, 2002

Printed name and address of the named individual's employer:

Anderson County Schools
Office of Technology
111 South Charles Seivers Blvd.
Clinton, TN 37716

Billed entity name: Anderson County Schools, Entity # 128340

Funding Year 5 Forms 471 application numbers: 305422, 306498, 329179, and 307050, which was canceled.

Selective Review Information Request Checklist:

Remember to include all of the following in your response:

- ✓ Copies of contracts relating to the Form(s) 471.
- ✓ Copies of all requests for proposals.
- ✓ Complete copies of all bids that were received.
- ✓ Complete documentation regarding the process used for selecting your service provider(s).
- ✓ Copies of any consulting agreements.
- ✓ Correspondence between the consultant/service provider and the school/library regarding the competitive bidding process and the application process.
- ✓ Your technology plan.
- ✓ Fax Back Pages 1-4.
- ✓ Letter of agency or agreement if responder is authorized representative of the eligible entity, if required.

Office of Technology

111 S. Charles G. Seivers Blvd.
Clinton, TN 37716-3610
Office: (865) 463-7435 Fax: (865) 463-7213

Johanna Whitley, Director of Technology

Stewart
Hicks,, Senior Systems Technician

MEMO

To: Universal Services Administrative Company
From: Mr. Jim Stewart, Director of Schools and Johanna Whitley, Director of Technology
Subject: E-Rate Funding Documentation
Date: July 15, 2002

As with every step in this Selective Review process we have strived to provide answers to the questions posed by the various people involved in the Selective Review of the Form 471 Applications filed by the Anderson County School System. An original, signed copy of all this information will follow in the US mail this week.

The Anderson County School System is currently working under a continuing budget. The State of Tennessee approved a budget the week of July 5, 2002, after a 5 day government shut-down. (See e-mail messages and the article from the Oak Ridger enclosed for more information and documentation.)

On April 2, 2002, we explained our situation concerning our local budget in the documentation we sent you in the U.S. Mail. As you can see from the documentation submitted to you today, very little progress has been made in the past few weeks. We will be happy to mail you our budget as soon as we have an approved budget. At this time, we estimate it will be sometime in September.

Our Anderson County budget codes will not change, and we do not anticipate any problems paying our portion of the non-discounted amount.

As always, the Anderson County School System will be happy to provide any additional information, as well as any clarifications necessary to aid the Universal Services Administrative Company in its Selective Review process.

This package includes:

1. Cover Memo, Which includes Mr. Stewarts signature on the U.S. Mailed Original copy.
2. Continued Review 7/14/02
3. Corrected Item 25 Review Worksheet #2
4. E-mail titled "FW: State Shutdown"
5. E-mail titled "To Directors of Schools"
6. Newspaper Article from the Oak Ridger, one of our local newspapers

Internet Access/Educational Networks of America

Anderson County Schools is part of a state wide consortium for Internet Access. The vendor currently under contract is Educational Networks of America. We have included our level of services for Internet connections, with ENA as our vendor. The State Department of Education supports our non-discounted portion of Internet Connections. Please see the supporting documentation we have sent you in this package.

The Tennessee State Department of Education sent supporting documentation to you in April. Please call our state contacts if you need additional information needed for this item. Lisa Cothron and Tom Bayersdorfer are our contacts from the Tennessee Department of Education. You can reach Tom Bayersdorfer at 615-532-1254 and Lisa Cothron at 615-532-2818.

Telecom/Bell South

Anderson County Schools is part of a state wide consortium for Telecom. The vendor currently under contract for this request is Bell South. Bell South is the vendor for all our locations but one, Claxton Elementary

The Tennessee State Department of Education sent you additional information for this item. Lisa Cothron and Tom Bayersdorfer are our contacts from the Tennessee Department of Education. You can reach Tom Bayersdorfer at 615-532-1254 and Lisa Cothron at 615-532-2818.

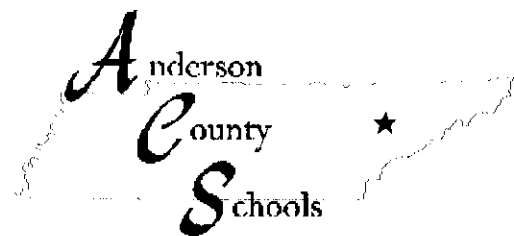
Anderson County Schools plans to pay our part of the E-Rate funds for services above our approved amount for Telecom services from the same codes as were used for the 2001-02 school budget. The codes are listed at the top of each section in the documentation we sent you in April. We plan to use the same codes as listed on the documentation for the 2001-02 school year. The funding to cover the non-discounted portion of this request for Year 5 will be the same as Year 4, which is outlined in the 2001-02 budget.

Telecom/Citizens/Claxton School

This request has been filed on behalf of Claxton Elementary School at the district office. The amount above services will be paid at the district level from the following code, 72620-307-9006. The funding to cover the non-discounted portion of this request for Year 5 will be the same as Year 4, which is outlined in the 2001-02 budget which was sent to you in April of 2002.

Telecom/Nextel

Anderson County Schools plans to pay our part of the E-Rate funds for services above our approved amount for Wireless Telecom services from the same codes as were used for the 2001-02 school budget. The codes are listed at the top of each section in the documentation we sent you in April. We plan to use the same codes as listed on the documentation for the 2001-02 school year. The funding to cover the non-discounted portion of this request for Year 5 will be the same as Year 4, which is outlined in the 2001-02 budget.



Office of Technology

111 S. Charles G. Seivers Blvd.
Clinton, TN 37716-3610
Office: (865) 463-7435 Fax: (865) 463-7213

Johanna Whitley, Director of Technology

Stewart Hicks, Senior Systems Technician

To: Universal Services Administrative Company, ATTENTION: Ken Collis
From: Johanna Whitley, Director of Technology
Subject: E-Rate Review, Continued Review 7/14/02
Date: July 15, 2002
RE: Case SR-2002-BEN#128340

This information is being submitted to Mr. Ken Collis at his request:

Hardware:

- Please provide a one-page summary of the resources and strategies you have available for acquiring hardware.

The Anderson County School System acquires hardware through all departments within the district. All departments within the Anderson County School System have purchased hardware to help support their programs. Departments who make technology purchases on a regular bases are:

1. The Technology Department
2. Special Education Department
3. Vocational Department
4. School Nutrition Department
5. Head Start and Pre School Departments
6. Adult Basic Education Department
7. The Regular Education Program K-12
8. Schools purchase computers from their regular school budget.
9. Grant Funds
10. The Title I Department

The Office of Technology writes bid specifications every 6 months and bids computers for the district. Each department then purchases computers from the bid provided by the Office of Technology. To view the current computer bid for the Anderson County School System click here.
<http://www.acs.ac/Current Bids/Current Tech Bid.htm>

The Anderson County School System purchases approximately 100 computers each year district wide, unless we are fortunate enough to be awarded at grant. The purchase of additional hardware is one of our major goals for the 2002-03 school year.

- Please list the number of servers and network drops you are requesting as well the hardware you currently have in place.

We are not requesting any additional servers or network drops for Year 5.

At this time we currently have approximately 2,200 computers. The Anderson County School System has just completed a “purging” of old hardware, which included 386 and 486 computers. We currently have over 50 servers in place throughout the district. We currently have over 28 computer labs throughout the district.

The Anderson County School System has Internet drops in every classroom in the district. Each classroom is connected to the Internet.

Retrofitting:

- Your investment in retrofitting appears low in relation to the level of network resources you are requesting. Have you already retrofitted your buildings for technology (prior to 2001)? If so, can you briefly document the dollar amount and/or the work done? Also please indicate if this is a relatively new school (past five years or so). If not, please provide a one-page summary of the resources and strategies you have available to retrofit your schools for technology.

Retrofitting refers to removing asbestos, adding air conditioning, upgrading wiring, building server closets, knocking down or drilling through walls, or anything else done in order to prepare buildings for new technology.

Anderson County completed a complete renovation of all schools in the district during the 1997-98-99 school years. Over \$8 million dollars were spent on our schools in an effort to prepare them for the 21st Century. ACS also build 1 new schools during the 1997 school year, and renovated an additional building, in which we now house our new alternative school in 1999.

At this time, the Anderson County Schools has outstanding facilities, district wide. All of our buildings are air-conditioned and free of asbestos.

At this time, 11 of our schools are wired with Category 5 wiring. Of the 11 schools, 10 are in an Ethernet environment. As you can see from the schedule below, we plan to re-wire four schools during the 2002-03 school year. After we complete these 4 schools, we will have 2 schools left, which will require a professional contractor, due to their size.

Re-Wiring Schedule

AES	2002-03- OOT	♦CMS	Professional Contractor, Grant Funds, Aug. 2002
♦BES	2001-02- OOT	LCMS	Professional Contractor Needed
♦CES	2001-02 Danny Davis \$70,000	♦Norris M	Complete \$24,000
♦DVES	2001-02- OOT	♦Norwood M	2001-02- OOT
FES	2002-03- OOT (CAT 5, but Token Ring @ this time.)	♦ACHS	Complete \$42,000
GOE	2002-03- OOT	♦ACCTC	Complete \$20,000
LCES	Professional Contractor Needed	♦CHS	Complete \$55,000
Norris E	2002-03- OOT	♦The Learn Center	Complete (SpEd Funds)
♦Norwood E	2001-02- OOT	♦Central Office	Complete (OOT)

The OOT will cover the cost of all four projects, indicated in the red font above, within our proposed budget for the 2002-03 school year. We currently do not know if our budget request will be honored. The ♦ above indicates the wiring project for that school or site has been completed. The other schools indicated in the green font will require a professional wiring contractor to complete the job due to the size of the school. These schools are currently wired and are running in a Token Ring environment in each classroom. The Anderson County School System is looking for

grant funds to help with these projects. As indicated above, we have been successful at locating grant funds for Clinton Middle School, which will be wired during the month of Aug. 2002.

Anderson**LEA E-Rate Discount Level****64%****471 Pricing Schedule**

Site Name	Site ID	Rollout 99 Upgrade Speed	Recommended Service Speed	Contract Students	Service Speed
Anderson Co Career and Technology	100003	128	1544-c	718	128
Anderson County	100000	128	128	0	128
Anderson County High	100002	1544	1544-c	849	1544
Anderson Learning Center	100093	128k	256	64	128
Andersonville Elem	100005	256	768	253	256
Briceville Elem	100010	128	256	125	128
Claxton Elem	100015	768	1544-c	684	768
Clinton Hs	100025	1544-C	1544-c	1044	1544-C
Clinton Middle High	100020	768	1544	550	768
Dutch Valley Elem	100035	128	256	189	128
Fairview Elem	100040	256	1544-c	312	256
Grand Oaks Elem	100046	256	768	321	256
Lake City Elem	100050	256	1544-c	528	256
Lake City Middle	100055	256	1544	309	256
Norris Elem	100070	128	768	239	128
Norris Middle	100075	256	1544	395	256
Norwood Elem	100080	256	1544-c	370	256
Norwood Middle	100085	256	1544	343	256

Quantity

0

Totals

128	Single ISDN Connection
256	Dual ISDN Connection
768	
1544	
1544-C	Full T1 With Caching Server

This information was sent to ACS by Educational Networks of America, ENA, outlining our services for Year 5.

Budget:

Your initial response to our request for budget information stated budgetary development had not begun for the 2002 to 2003 school year.

If a draft or finalized budget is available at this time, please refer to the following instructions:

The Anderson County School System is currently working under a continuing budget. The State of Tennessee approved a budget the week of July 5, 2002, after a 5 day government shut-down. (See e-mail messages and the article from the Oak Ridger enclosed for more information and documentation.)

On April 2, 2002, we explained our situation concerning our local budget in the documentation we sent you in the US mail. As you can see from the documentation we submitted to you today, very little progress has been made in the past few weeks. We will be happy to mail you our budget as soon as we have an approved budget. At this time, we estimate it will be sometime in September.

Please Note the Green Area Below...

At this time, I estimate Anderson County's share of E-Rate funding to be \$52,019.85, which is 36% of our total amount of \$144,499.56. (See chart below.) Funding for our Year 5 E-Rate will be taken from our Anderson County Schools' budget in the areas I sent to you in April of 2002.

Year 5 Requests

Vendor	SPIN #	Applicant's Identifier	470 #	471 #	FRN #	Monthly	Yearly Expense	Funding Request, 64%
Bell South	143004824	Yr5-telecom	337930000399003	306498	792616	\$9,604.03	\$115,248.00	\$73,748.36
Nextel	1430000892	Yr5-telecom	337930000399003	305422	789310	\$2,197.62	\$25,831.44	\$16,877.72
Citizens	143001641	CitizensYr5	580190000331426	304771	785920	\$285.01	\$3,420.12	\$2,736.10
ENA	143008159	ENA 0030-01	State Supported Bid		887777		\$285,540.00	\$182,745.60
								\$276,107.78

Please Note the Blue Area Above... (ENA, Internet Connections)

As explained in our April 2, 2002 package, the State Department of Education supplements our Internet connections, and for Year 5, they will be paying our non-discounted portion. This information was explained to you in the supporting documentation sent to you by Mr. Tom Bayersdorfer (615-532-8312) in April of 2002. The line item outlined in blue above, is what we would be paying if the State of Tennessee did not support our Internet connections. However, this year the Anderson County School System has been approved for the following services outlined in the table below. The State Department of Education will be supporting our non-discounted portion. The State Department of Education supports Internet connection for about 95% all public schools in the state of Tennessee. Please call Mr. Tom Bayersdorfer (615-532-8312) at the State Department of Education if you have any questions. Mr. Bayersdorfer is our state E-Rate Coordinator.

Our Anderson County budget codes will not change, and we do not anticipate any problems paying our portion of the non-discounted amount.

FAX Cover

**To: Ken Collis
973-884-8066**

**FROM: Johanna Whitley
865-463-7213**

**22-Total Pages
Date: April 3, 2002**

Ken,

I over-nighted all the other documentation. You should receive the other items today. Please let me know if you need any additional information.

Sincerely,

Johanna Whitley

FROM : E.N.O. Finance

FAX NO. : 615 726 3147

Mar. 20 2003 10:39AM P2

CONTRACT SUMMARY SHEET

Contract Number		FA-03-14836-01		State Agency		Education	
				Division		TECHNOLOGY	
Contractor				Vendor ID Number			
Education Networks of America				<input checked="" type="checkbox"/> V <input type="checkbox"/> C		V621805864 00	
Service Description							
Provide Internet access for the k-12 public schools of Tennessee							
Contract Begin Date				Contract End Date			
July 1, 2002				June 30, 2007			
Allocation Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code	
331.25	035	083	25	<input checked="" type="checkbox"/> on STARS			
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)		
03	\$5,812,009.20				\$5,812,009.20		
04	\$6,093,888.48				\$6,093,888.48		
05	\$6,358,763.52				\$6,358,763.52		
06	\$6,623,638.68				\$6,623,638.68		
07	\$6,888,517.44				\$6,888,517.44		
Total	\$31,776,817.32				\$31,776,817.32		
<input checked="" type="checkbox"/> Fiscal Year Funding Is Strictly Limited				CFDA Number			
<input checked="" type="checkbox"/> Contractor is on STARS				State Fiscal Contact			
<input checked="" type="checkbox"/> Current Form W-9 On File With Accounts OR <input type="checkbox"/> Form W-9 Attached				Name: Lisa Cothron Address: AJ Tower, 7th Floor Phone: 615-532-2818			
<input checked="" type="checkbox"/> Service Provider Registered with F&A				Procuring Agency Budget Officer Approval Signature			
<input type="checkbox"/> Contractor is a SUBRECIPIENT (as defined by OMB Circular A-133)							
COMPLETE FOR ALL AMENDMENTS (only)				Funding Certification			
	Base Contract & Prior Amendments	This Amendment ONLY		Pursuant to T.C.A., Section 9-6-113, I, C. Warren Neel, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.			
Contract End Date	6-30-07	6-30-07					
FY 03	6,172,998.36	(360,989.16)					
FY 04	6,500,001.24	(406,112.76)					
FY 05	6,810,000.00	(451,236.48)					
FY 06	7,119,998.76	(496,360.08)					
FY 07	7,430,001.24	(541,483.80)		OCR Use Only RECEIVED 2003 FEB 19 PM 12:17 CONTROL LER'S OFFICE OFFICE OF MANAGEMENT SERVICES			
Total	34,032,999.60	(2,256,182.28)					

RFS Number: 331.252-002

Program Routing Date:

SDE Legal Approval:

Print Authorization Date: 1-6-02

Posted to STARS Date:

Allotment Code 331.25
 Cost Center 035
 Grant Code

RFS Number 331.252-002
 Contract Number FA-02-14836-01

**AMENDMENT 01
 TO CONTRACT FA-02-14836-01**

This contract, by and between the State of Tennessee, Department of Education, hereinafter referred to as the State, and Education Networks of America, Inc., hereinafter referred to as the Contractor, is hereby amended as follows:

1. Delete Section C.1. in its entirety and insert the following in its place:

- C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed thirty-one-million-seven-hundred-seventy-six-thousand-eight-hundred-seventeen dollars and thirty-two cents (\$31,776,817.32). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required, or the E-Rate discounts due to the Contractor. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work, in which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

2. Delete Section C.3. in its entirety and insert the following in its place:

- C.3. **Payment Methodology.** Effective July 1, 2002, upon successful switchover service of the ConnectTEN Network, the Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A. Scope of Services. The Contractor shall be compensated based upon the following Service Rates plus E-Rate funding at the 100% level:

<u>SERVICE UNIT</u>	<u>BUNDLED INTERNET ACCESS MONTHLY AMOUNT</u>	<u>FILTERING MONTHLY AMOUNT</u> (not E-Rate eligible)
Monthly rate to provide ConnectTEN services, effective from July 1, 2002 to June 30, 2003	\$ 471,834.10	\$ 12,500.00
Monthly rate to provide ConnectTEN services, effective from July 1, 2003 to June 30, 2004	\$ 495,324.04	\$ 12,500.00

Monthly rate to provide ConnectTEN services, effective from July 1, 2004 to June 30, 2005	\$ 517,395.96	\$ 12,500.00
Monthly rate to provide ConnectTEN services, effective from July 1, 2005 to June 30, 2006	\$ 539,469.89	\$ 12,500.00
Monthly rate to provide ConnectTEN services, effective from July 1, 2006 to June 30, 2007	\$ 561,543.12	\$ 12,500.00

In the event the E-Rate funding level is reduced, then the monthly amount for bundled Internet access will be adjusted accordingly based on the Contractor's submitted Cost Proposal.

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated. The Contractor shall also submit an invoice, in form and substance acceptable to the Federal Communications Commission (FCC)/Universal Service Administrative Corporation (USAC) E-Rate Program Fund Administrator and with all of the necessary supporting documentation, and receive payment according to FCC E-Rate Program rules and regulations. The State shall in no way be responsible for the discounted portion that the FCC/USAC E-Rate Program Fund Administrator has agreed to pay to the Contractor other than the State's obligations to submit various filings in compliance with the FCC E-Rate Program.

The other terms and conditions of this contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

EDUCATION NETWORKS OF AMERICA, INC.:

A. F. Ganier III 2/7/02
Albert Ganier, III, President and CEO Date

DEPARTMENT OF EDUCATION:

Faye P. Taylor 2/8/02
Faye P. Taylor, Commissioner Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

C. Warren Neel/mt FEB 15 2002
C. Warren Neel, PhD, Commissioner Date

COMPTROLLER OF THE TREASURY:

John G. Morgan 2/20/02
John G. Morgan, Comptroller of the Treasury Date

CONTRACT NUMBER FA-02-14836-00		State Agency Education		Division TECHNOLOGY		Contractor Vendor ID Number		Education Networks of America <input checked="" type="checkbox"/> V- <input type="checkbox"/> C- V621805864 00		Service Description Provide Internet access for the k-12 public schools of Tennessee	
Contract Begin Date July 1, 2002		Contract End Date June 30, 2007		Grant Code 035		Object Code 003		Fund 25		<input checked="" type="checkbox"/> on STARS	
Grant Code 331.25		Cost Center 035		Object Code 003		Fund 25		Grant Code 035		Subgrant Code 035	
FY 03		State Funds 6,172,998.36		Federal Funds 6,172,998.36		Interdepartmental Funds 6,172,998.36		Other Funding 6,172,998.36		Total Contract Amount (including all amendments) 6,172,998.36	
FY 04		6,500,001.24		6,500,001.24		6,500,001.24		6,500,001.24		6,500,001.24	
FY 05		6,810,000.00		6,810,000.00		6,810,000.00		6,810,000.00		6,810,000.00	
FY 06		7,119,998.76		7,119,998.76		7,119,998.76		7,119,998.76		7,119,998.76	
FY 07		7,430,001.24		7,430,001.24		7,430,001.24		7,430,001.24		7,430,001.24	
Total 34,032,999.60		34,032,999.60		34,032,999.60		34,032,999.60		34,032,999.60		34,032,999.60	
<input checked="" type="checkbox"/> Fiscal Year Funding is Strictly Limited		<input checked="" type="checkbox"/> Contractor is on STARS		<input checked="" type="checkbox"/> Current Form W-9 On File With Accounts OR <input type="checkbox"/> Form W-9 Attached		<input checked="" type="checkbox"/> Service Provider Registered with F&A		<input type="checkbox"/> Contractor is a SUBRECIPIENT (as defined by OMB Circular A-133)		Procuring Agency Budget Officer Approval Signature _____	
<input checked="" type="checkbox"/> Fiscal Year Funding is Strictly Limited		<input checked="" type="checkbox"/> Contractor is on STARS		<input checked="" type="checkbox"/> Current Form W-9 On File With Accounts OR <input type="checkbox"/> Form W-9 Attached		<input checked="" type="checkbox"/> Service Provider Registered with F&A		<input type="checkbox"/> Contractor is a SUBRECIPIENT (as defined by OMB Circular A-133)		Procuring Agency Budget Officer Approval Signature _____	
CFDA Number _____		State Fiscal Contact _____		Name Lisa Coltrone		Address AJ Tower, 7th Floor		Phone 615-532-2818		Procuring Agency Budget Officer Approval Signature _____	
COMPLETE FOR ALL AMENDMENTS (only)											
Base Contract & Prior Amendments This Amendment ONLY		Contract End Date _____		FY FY FY FY FY FY		Total _____		Funding Certification Pursuant to T.C.A. Section 9-6-113, I, C. Warren Neel, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.			

RECEIVED
 2002 JUN 17 PM 1:51
 COMPTROLLER'S OFFICE
 OFFICE OF
 MANAGEMENT SERVICES

RFS Number: 331.252-002
 Program Routing Date:
 Print Authorization Date: 1-15-02
 Posted to STARS Date:
 SDE Legal Approval:

FROM : E.N.D. Finance

FAX NO. : 615 726 3147

Mar. 20 2003 10:42AM P7

Allotment Code 331.25
Cost Center 035
Grant Code

RFS Number 331.252-002

Contract Number

**CONTRACT
BETWEEN THE STATE OF TENNESSEE,
DEPARTMENT OF EDUCATION
AND
EDUCATION NETWORKS OF AMERICA, INC.**

This Contract, by and between the State of Tennessee, Department of Education, hereinafter referred to as the "State" and Education Networks of America, Inc. (ENA), hereinafter referred to as the "Contractor," is for the provision of a statewide ConnectTEN bundled Internet service offering that includes bandwidth, network hardware and software systems, shared Internet access, electronic mail services, security, and remote monitoring and management of the ConnectTEN Internet connectivity infrastructure and its related network communications and systems equipment. The specifics of these bundled elements are further defined in the "SCOPE OF SERVICES."

The Contractor is A FOR-PROFIT CORPORATION. The Contractor's address is:

1101 McGavock Street
Nashville, TN 37203

The Contractor's place of incorporation or organization is State of Delaware.

A. SCOPE OF SERVICES:

A.1. General Scope of ConnectTEN. The Contractor agrees to be responsible for the design, delivery, and installation of all the necessary bandwidth, network hardware and software systems, to supply the K-12 public schools of Tennessee with Internet Access and bundled Internet services, including management of electronic mail services, security, network management and operational support of the Tennessee ConnectTEN Network. It is the intent of this bundled service offering to provide a technical infrastructure for Tennessee educators and students to access, utilize and leverage Internet-based resources as effectively as possible and meet the technical specifications and support services. The Contractor agrees to meet all the State's requirements in accordance and as defined in the *Request for Proposals for Internet Access and Related Internet Connectivity Management Services "ConnectTEN"*, hereinafter referred to as the "RFP", and as defined in the other documents referenced in Section E.8 below.

A.2. ConnectTEN Technical Requirements, E-Rate Requirements, and Project Schedule. The Contractor shall provide bundled Internet services to Tennessee K-12 public schools in accordance with the requirements stated in the following Contract Attachments:

Attachment A: ConnectTEN Technical Requirements
Attachment B: Service Level Agreements
Attachment C: Tennessee Schools
Attachment D: E-Rate Requirements
Attachment E: Project Schedule

B. CONTRACT TERM:

B.1. Contract Term. This Contract shall be effective for the period commencing on July 1, 2002 and ending on June 30, 2007. The State shall have no obligation for services rendered by the Contractor which are not performed within the specified period. The contract term includes an uncompensated period, beginning January 16, 2002, during which the Contractor prepares for transition to a new ConnectTEN network. The switchover of service to the new ConnectTEN will be completed effective 12:01 AM, July 1, 2002.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed THIRTY-FOUR-MILLION-THIRTY-TWO-THOUSAND-NINE-HUNDRED-NINETY-NINE DOLLARS AND SIXTY CENTS (\$34,032,999.60). The Service Rates in Section C.3 shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, materials or equipment required, or the E-Rate discounts due to the Contractor. The Service Rates include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Contractor.

The Contractor is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Contractor and does not guarantee payment of any such funds to the Contractor under this Contract unless the State requests work and the Contractor performs said work, in which case, the Contractor shall be paid in accordance with the Service Rates detailed in Section C.3. The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract.

- C.2. Compensation Firm. The Service Rates and the Maximum Liability of the State under this Contract are firm for the duration of the Contract and are not subject to escalation for any reason unless amended.
- C.3. Payment Methodology. Effective July 1, 2002, upon successful switchover service of the ConnectTEN Network, the Contractor shall be compensated based on the Service Rates herein for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A, Scope of Services. The Contractor shall be compensated based upon the following Service Rates plus E-Rate funding at the 100% level:

<u>SERVICE UNIT</u>	<u>BUNDLED INTERNET ACCESS MONTHLY AMOUNT</u>	<u>FILTERING MONTHLY AMOUNT</u> (not E-Rate eligible)
Monthly rate to provide ConnectTEN services, effective from July 1, 2002 to June 30, 2003	\$ 489,416.53	\$ 25,000.00
Monthly rate to provide ConnectTEN services, effective from July 1, 2003 to June 30, 2004	\$ 516,666.77	\$ 25,000.00
Monthly rate to provide ConnectTEN services, effective from July 1, 2004 to June 30, 2005	\$ 542,500.00	\$ 25,000.00
Monthly rate to provide ConnectTEN services, effective from July 1, 2005 to June 30, 2006	\$ 568,333.23	\$ 25,000.00
Monthly rate to provide ConnectTEN services, effective from July 1, 2006 to June 30, 2007	\$ 594,166.77	\$ 25,000.00

In the event the E-Rate funding level is reduced, then the monthly amount for bundled Internet access will be adjusted accordingly based on the Contractor's submitted Cost Proposal.

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated. The Contractor shall also submit an invoice, in form and substance acceptable to the Federal Communications Commission (FCC)/Universal Service Administrative Corporation (USAC) E-Rate

FROM : E.N.D. Finance

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Program Fund Administrator and with all of the necessary supporting documentation, and receive payment according to FCC E-Rate Program rules and regulations. The State shall in no way be responsible for the discounted portion that the FCC/USAC E-Rate Program Fund Administrator has agreed to pay to the Contractor other than the State's obligations to submit various filings in compliance with the FCC E-Rate Program.

- C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel, meals, or lodging.
- C.5. Payment of Invoice. The payment of the invoice by the State shall not prejudice the State's right to object to or question any invoice or matter in relation thereto. Such payment by the State shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.

The State is not responsible for any discounts received by the Contractor from the FCC E-Rate Program. In the event the State is awarded less than 100% of its requested E-Rate funding or funds less than 100% of the State's maximum liability per Section C.1 of this Contract, then the State may purchase appropriate combinations of service. To the extent that E-Rate funding is available, the Contractor will apply all E-Rate supplements to enhancing the basic services as defined in Section A.

- C.6. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts approved by the FCC for E-Rate discounts. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the State, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.
- C.7. Deductions. The State reserves the right to deduct from amounts which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee any amounts which are or shall become due and payable to the State of Tennessee by the Contractor.
- C.8. Automatic Deposits. The Contractor shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Contractor by the State. Once this form has been completed and submitted to the State by the Contractor all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee shall be made by Automated Clearing House (ACH). The Contractor shall not invoice the State for services until the Contractor has completed this form and submitted it to the State.

D. STANDARD TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations.
- D.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- D.3. Termination for Convenience. The State may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by the State. The State shall give the Contractor at least sixty (60) days written notice before the effective termination date.
- D.3.a. The Contractor shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall the State be liable to the Contractor for compensation for any service which has not been rendered.
- D.3.b. Upon such termination, the Contractor shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

- D.4. Termination for Cause. If the Contractor fails to materially perform its obligations under this Contract in a timely or proper manner, or if the Contractor materially violates any terms of this Contract, the State shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor.
- D.5. Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of the State. If such subcontracts are approved by the State, they shall contain, at a minimum, sections of this Contract pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections D.6. and D.7.).
- Notwithstanding any use of approved subcontractors, the Contractor shall be the prime contractor and shall be responsible for all work performed.
- D.6. Conflicts of Interest. The Contractor warrants that no part of the total Contract Amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.
- D.7. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Contractor shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- D.8. Records. The Contractor shall maintain documentation for all charges against the State under this Contract. The books, records, and documents of the Contractor, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- D.9. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.10. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.11. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- D.12. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Contractor, being an independent contractor and not an employee of the State, agrees to

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carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Contractor's employees, and to pay all applicable taxes incident to this Contract.

- D.13. State Liability. The State shall have no liability except as specifically provided in this Contract.
- D.14. Force Majeure. The obligations of the parties to this contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- D.15. State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- D.16. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Contractor agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Contractor acknowledges and agrees that any rights or claims against the State of Tennessee or its employees hereunder, and any remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under *Tennessee Code Annotated*, Sections 9-8-101 through 9-8-407.
- D.17. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- D.18. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- D.19. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- E.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Lisa Cothron, Executive Director, Technology
Tennessee Department of Education
710 James Robertson Parkway, Nashville, TN 37243
615-532-2818
615-532-5303 (FAX)

This represents the first level of end user customer support and technical assistance services which shall be performed by the ConnectTEN NOC Help Desk. It is envisioned that the ConnectTEN Tier 1 NOC Help Desk will be made available to the K-12 End User Community during the hours from 7:00am - 5pm CST, Monday-Friday.

After initial processing by the ConnectTEN Tier 1 NOC Help Desk, a trouble ticket or work order is generated to document and handle all identified and desired service request. Trouble tickets shall conform to the defined processes and requirements. In the event that the Tier 1 NOC technician cannot fix or resolve the problem, this will be escalated up to a Tier 2 NOC Technician for additional problem resolution services. Using an assortment of network diagnostic tools and utilities, the Tier 2 NOC Technician identifies the problem and attempts to resolve the problem remotely, reducing end user customer downtime and increasing network availability.

If the trouble call cannot be resolved within the time allotted, the Tier 2 NOC Technician may dispatch a Tier 3 NOC Engineer or dispatch a field service technician in order to conduct on-site support for problem resolution.

Tier 2 - ConnectTEN Service Provider NOC Support Overview

This represents the second level of problem escalation and requires a Tier 1 ConnectTEN NOC Technician to contact the ConnectTEN NOC at Tier 2 to pass or initiate a trouble ticket. This trouble ticket is then entered into the ConnectTEN Service Provider's Trouble Ticketing system. The Tier 2 NOC Technician must first receive a complete and current update of the problem scenario and then begins working in conjunction with the Tier 1 NOC Technician to resolve the problem using a wide variety of diagnostic network management tools and utilities. Tier 2 Technicians can escalate the trouble ticket even further to a Tier 3 Engineer in the event that the problem cannot be resolved in a specified amount of time or requires the dispatch of a Field Service Technician to resolve the problem on-site.

Tier 3 - ConnectTEN Service Provider Advanced Support Overview

At any point in the escalation process, a Tier 2 Technician may decide to dispatch a Tier 3 Engineer or Field Service Technician for on-site problem resolution. On-site support must be provided by the ConnectTEN Service Provider especially when the problem has been identified as a defective hardware or software problem. In any case, the Tier 3 Engineer must first receive complete problem documentation through the Service Provider's trouble ticketing system. Ultimately, the End User is provided with the highest level of technical support whether the problem can be diagnosed and resolved remotely or whether the problem requires on-site support from a ConnectTEN Field Service Technician.

Desired Bundled Network Management Functionality Overview

The ConnectTEN Service Provider will be required to design, implement, and maintain a comprehensive

